

TECHNICAL ASSISTANCE – SENIOR EXECUTIVE SERVICE (SES)

Prepared by the Department of Personnel & Administration, Division of Human Resources. Revised May, 2004.

Background

The senior executive service (SES) is a distinct pay-for-performance system authorized by statute, C.R.S. 24-50-104 (5)(c), to compensate those senior manager positions having a high level of management responsibility. The SES is those positions in the Management class that are responsible for directly controlling, through subordinate managers, relatively large or important segments of a principal department. By statutory limit, no more than 125 positions can be in the SES. Employees in SES positions have the same rights and benefits as other state employees, unless specifically noted in statute, rules, and procedures.

Rights of SES Employees

Certified employees occupying positions in the SES have rights similar to other personnel system employees, except they are **not afforded** the following:

- retention or re-employment rights;
- appeal to the State Personnel Director's decision to move a position into or out of the SES;
- automatic pay adjustments such as salary survey;
- appeal the reduction in salary from one contract year to the next.

SES Criteria

Positions must meet all of the following criteria as identified in Director's Administrative Procedure P-2-10:

- be in the Management class;
- be responsible for directly controlling, through subordinate managers, relatively large segments of a principal department, including the acquisition and administration of human, fiscal, operating, and capital resources;
- be responsible for direction and guidance of significant programs, projects, and public policy development.

Nomination Process

Each department is allowed one SES position for every 100 FTE of permanent personnel system positions in their department up to a maximum of 15 positions. The State Personnel Director may authorize additional positions for good cause shown.

The director of each principal department nominates positions for inclusion in the SES to the State Personnel Director through the Department of Personnel & Administration, Division of Human Resources (DPA/DHR). Nominations must be made in writing, and must include rationale for the nomination and a current job description.

Nominated positions are reviewed by DPA/DHR for proper allocation and then forwarded to the State Personnel Director for approval. The State Personnel Director makes the final decision. The final decision cannot be appealed.

DPA/DHR notifies the nominating department's director and human resources office of the State Personnel Director's decision. Approved positions are placed in the SES on a date determined by the nominating department.

Appointments to SES Positions

Appointments to positions in the SES are made by department directors, on the basis of "merit and fitness." A position in the SES may be filled by any of the methods for filling positions allowed by statute, rule, or procedure. An employee occupying a position in the SES may transfer into another SES position with the approval of the department directors involved. Because the SES is a pay-for-performance system, it is not considered a promotion to move an encumbered position from one of the other pay plans into the SES pay plan. SES employees may be removed from state service due to discipline or layoff.

Compensation

Director's Administrative Procedures govern compensation for employees in the SES. The State Personnel Director issues additional guidance concerning pay adjustments consistent with direction provided by the Office of the Governor. The actual salary amount paid to an SES employee is determined by the employee's department director as part of the annual performance contract and may not exceed 25% of the regular statutory lid amount (range maximum of the Management class). Salary amounts may not be changed during the contract year. The salary may be increased, decreased, or left unchanged from one contract year to the next based upon the department director's evaluation of the employee's performance or expected performance, or in consideration of the factors below:

- the need to attract and retain the services of highly qualified and motivated workers;
- the market for the particular position or skill;
- the employee's experience;
- the employee's level of responsibility, the degree of risk and exposure, and the value to the organization of the position;
- the department's budget;
- salaries and performance expectations of other SES employees in the department.

Performance Contract

An annual performance contract must be negotiated between the SES employee and the department director before July 1, the beginning of each fiscal year, or within 30 days of hire or movement within the plan. The contract must specify the salary and the performance criteria upon which the employee will be evaluated at the end of the contract period. The provisions of the performance management system rules and procedures for other state employees do not apply to employees in the

SES. The performance of SES employees is to be evaluated based on the terms of the annual performance contract.

The performance contract should include performance objectives and measures as agreed upon. Best practice encourages periodic progress reviews and the completion of appraisals prior to the approval of a salary change for the next contract. Salary adjustments for the next year must reflect performance, but may also reflect other objective considerations such as market conditions or budget levels.

By mutual agreement of the parties, performance contracts may be altered during the course of the contract year to address new or modified performance expectations. However, adjustments in pay are not allowed during the course of the contract year if the employee remains in the same SES position performing essentially the same SES duties.

The department director has final authority and responsibility for concluding the negotiation of the annual performance contract. The standard DPA SES contract (attached) should be used. A copy of the current performance contract is to be maintained by the department's human resources office. As new contracts are negotiated, a copy of each must be submitted to DPA/DHR.

Removal of Positions From SES

The State Personnel Director may review a position at any time to determine if the position continues to meet the requirements for inclusion in the SES. If it is determined that a position no longer meets the criteria for the SES, including if a department director no longer supports inclusion in the SES, the position will convert to the Management pay plan. DPA/DHR must be notified when a position is removed from the SES.

If a department director decides to dismiss an SES employee based on failure to perform satisfactorily, notice must be given to the employee by May 1. The SES employee is separated on June 30. The employee may only appeal the dismissal to the State Personnel Board.

If a department director fails to provide written notice of unsatisfactory performance before May 1 or a new contract is not negotiated by July 1 (for any reason), the position is removed from the SES pay plan and placed in the Management class and pay range. The salary of the employee will be set in accordance with Director's Administrative Procedures.

Layoff

SES employees do not have rights under the layoff and re-employment provisions of the State Personnel Board rules. The employee shall have reinstatement privileges to any vacant position in the employee's previously certified class.

Disciplinary Actions

The disciplinary process applied to SES employees is the same as for other personnel system employees. The salary of an SES employee who is disciplinarily demoted out of SES for

performance reasons is set in accordance with the downward movement provisions for all other employees.

Every attempt is made to keep this technical assistance updated. For additional information, refer to Chapters 2, 3, 4, 6, 7, and 8 of *State Personnel Board Rules and Director's Administrative Procedures* or contact your department human resources office. Subsequent revisions to procedure, rule, or law could cause conflicts in this information. In such a situation, the laws, rules, or procedures are the official source upon which to base a ruling or interpretation. This document is a guide, not a contract or legal guide.



Senior Executive Service Contract

Employee: _____

Title: _____

Department: _____

Division: _____

Appointing Authority: _____

Title: _____

Salary: \$ _____ /per month

Contract Term: _____, 2004 – June 30, 2005

Employee

Appointing Authority

Department director

NOTES:

- Salaries must be based on the negotiation of an annual contract between the employee and the department director, and the amount of such salaries may increase, decrease, or remain unchanged from year to year. (Section 24-50-104(5), C.R.S.)
- Salary for FY 0-05 may not exceed \$10,763 per month.
- Employees in the senior executive service may not appeal a reduction in pay. (Personnel Rule R-8-52).
- Employees in the senior executive service have no rights to positions outside of the senior executive service (Section 24-50-104(5), C.R.S.)

CORE REQUIREMENTS

CUSTOMERS	1	2	3	4
Program goals and objectives clear and customer-oriented				
Maintain positive, smooth, and supportive customer relations				
Emphasis on customer satisfaction				
Program efficiency and effectiveness routinely measured				
Efficiencies and cost containment continually sought				
Overall				

CREDIBILITY	1	2	3	4
Long and short range plans developed and monitored				
Maintain legislative credibility				
Program processes designed to achieve goals and objectives				
Budgets monitored and adhered to				
Personnel rules followed				
Decisions are based on data				
Overall				

COMMUNICATIONS	1	2	3	4
Encourage public/community input and education				
Affected parties kept involved and informed				
Clear, concise, effective written communications produced				
Clear, concise, effective oral communications exhibited				
Listened well and sought feedback				
Overall				

OTHER	1	2	3	4
Employee morale and productivity high				
Employees empowered to work creatively and make own decisions				
Decisions made at the lowest possible level				
Overall				

SPECIAL PROJECTS AND EMPHASIS AREAS

OBJECTIVE	RESULTS	1	2	3	4

OBJECTIVE	RESULTS	1	2	3	4

OBJECTIVE	RESULTS	1	2	3	4

OBJECTIVE	RESULTS	1	2	3	4

OBJECTIVE	RESULTS	1	2	3	4

RATING LEVELS:

- 1 = Needs Improvement or Unsatisfactory**
- 2 = Proficient, Successful, or Competent**
- 3 = Commendable, Above Standard, or Exceeds Expectations**
- 4 = Outstanding, Excellent, or Meritorious**

EVALUATION

The rater should gather information from all available sources to assess how well the employee has met performance expectations. The rater should meet with the employee about one week before the rating becomes final to allow the employee the opportunity for input into the process.

	1	2	3	4
CORE REQUIREMENTS				
Customers				
Credibility				
Communications				
Other				
SPECIAL PROJECTS AND EMPHASIS AREAS				
Objective:				
Objective:				
Objective:				
Objective:				
Objective:				
Overall				

DATE OF EVALUATION: _____

Employee **Appointing Authority** **Department director**



SES Form 1

DPA

SENIOR EXECUTIVE SERVICE PERFORMANCE CONTRACT INSTRUCTIONS

(Remove these two pages after the contract is prepared.)

PLANNING

The employee and the appointing authority will meet before the start of the performance contract period to develop the employee's performance plan. The department director or a lower-level appointing authority may develop the performance plan. If someone other than the department director develops the plan, the department director must approve the plan by signing the form.

The first page of the form identifies the employee and appointing authority and includes signature lines. The second section of the form is designed around core requirements. The core requirements have individual objectives that further define expectations. The appointing authority and employee may select additional objectives by adding additional statements in the blank spaces provided.

The third section of the form is used to identify special projects or emphasis areas. The appointing authority and employee will agree on specific projects, responsibilities, or emphasis areas that will augment the core performance areas and objectives. Projects or emphasis areas begin on page three of the contract.

It is important that the appointing authority makes certain the employee **understands** the performance expectations for each objective, special project, or emphasis area in the performance contract. This may be accomplished either through verbal discussion, adding written narrative clarification to the performance plan, or writing detailed individual performance objectives.

PROGRESS REVIEWS

Quarterly meetings between the appointing authority and employee are encouraged during the performance contract period. These will help ensure that the employee and appointing authority understand the other's perception of the employee's performance. If problems are identified, plans for improvement can be developed and the employee then has the opportunity to improve his or her performance.

EVALUATION

During the evaluation, the appointing authority should gather information from all available sources to assess how well the employee has met performance expectations. A meeting with the employee should be the final step before the final rating is determined to allow the employee the opportunity for input into the final evaluation.

The appointing authority will determine the rating for each objective and then an overall rating for each core requirement, special project, and emphasis area using the rating key at the top of the page. The overall rating for each area is then transferred to the evaluation chart on page five and an

overall performance rating is determined. Additional narrative statements that more fully describe the employee's accomplishments may be attached to the performance plan.

SALARY

The department director will approve the salary for the next performance contract period after negotiation with the employee. The employee, appointing authority, and department director sign the form. The completed form will be sent to the department's human resources office for processing and placement in the employee's personnel file for a period of five years. A copy of the final contract is sent to DPA/DHR.

NOTES:

- Any person in the senior executive service shall have no right to a position outside of the senior executive service (Section 24-50-104(5), C.R.S.).
- Salaries must be based on the negotiation of an annual contract between the employee and the department director, and the amount of such salaries may increase, decrease, or remain unchanged from year to year (Section 24-50-104(5), C.R.S.).
- Employees in the senior executive service may not appeal a reduction in pay. (Personnel Rule R-8-52).